BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

COLUMBIA, SOUTH CAROLINA

#19-11814 **DECEMBER 18, 2019** **2:53 P.M.**

NDI 2019-38-G:
SOUTHERN ENVIRONMENTAL LAW CENTER – Request for an Allowable Ex Parte Briefing to Discuss Atlantic Coast Pipeline

ALLOWABLE EX PARTE BRIEFING

COMMISSION MEMBERS PRESENT: Comer H. 'Randy' RANDALL, *Chairman*; Florence P. BELSER, *Interim Vice Chairman*; and COMMISSIONERS Thomas J. 'Tom' ERVIN, Swain E. WHITFIELD, and G. O'Neal HAMILTON

ADVISOR TO COMMISSION: Joseph Melchers
GENERAL COUNSEL

STAFF: Jerisha Dukes, Esq., and C. Jo Anne Wessinger-Hill, Esq., Legal Advisory Staff; William O. Richardson and John Powers, Technical Advisory Staff; Jackie Thomas, Information Technology Staff; Melissa Purvis, Livestream Technician; Jo Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter; and Hope Adams, Hearing Assistant

APPEARANCES:

J. BLANDING HOLMAN, IV, ESQUIRE, representing **SOUTHERN ENVIRONMENTAL LAW CENTER**, together with ***WILL CLEVELAND, ESQUIRE*** *[Senior Attorney / Southern Environmental Law Center]* and ***EDDY MOORE*** *[Energy Program Director / Coastal Conservation League]*, Presenters

ANDREW M. BATEMAN, ESQUIRE, Designee of the Executive Director of the **SOUTH CAROLINA OFFICE OF REGULATORY STAFF**

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Note: For identification of additional referenced materials and/or links for same, please see correspondence to be filed by the Office of Regulatory Staff Designee

Please note the following inclusions/attachments to the record:

- Presentation Slides
- "Assessment of South Carolina Natural Gas Pipeline Capacity" of August 2018 by Skipping Stone
- "The Least-Cost Resource Plan for Santee Cooper" of 9/12/2019 by Synapse Energy Economics

P R O C E E D I N G S

CHAIRMAN RANDALL: We'll call us back into session. Good afternoon, everybody. Welcome to this afternoon's allowable ex parte briefing. I'll ask Mr. Melchers to read the docket for us.

MR. MELCHERS: Thank you, Mr. Chairman and Commissioners. We are here pursuant to a Notice of Request for Allowable ex parte briefing, scheduled for today, December 18th, immediately following the Commission's 2 p.m. business meeting here in the Commission's hearing room.

The party requesting the briefing is the Southern Environmental Law Center. And the subject matter to be discussed today is: The Atlantic Coast Pipeline.

Thank you, Mr. Chair.

CHAIRMAN RANDALL: Thank you.

Mr. Bateman, we'll let you give your ORS instructions, and then we'll turn it over to Mr. Cleveland and Mr. Moore.

MR. BATEMAN: Good afternoon, Mr. Chairman, members of the Commission, Madam Vice Chairman — congratulations. My name is Andrew Bateman, and I'm an attorney with the South Carolina Office of Regulatory Staff, and I'm here as a designee for

the Executive Director of the Office of Regulatory Staff, at this allowable ex parte being presented by the Southern Environmental Law Center.

As the ORS representative, it is my duty to certify the record of this proceeding to the Chief Clerk of the PSC within 72 hours that this briefing was conducted in compliance with the provisions of South Carolina Code Annotated Section 58-3-260(C). The ORS representative's responsibility and statutory duty in this proceeding is to attend a briefing and file a written certification that such briefing was conducted in compliance with the provisions of that section.

It's up to the presenters, Commissioners, Commission Staff, and all attendees, to ensure that the actions here today follow the provisions of Section 58-3-260(C). That's the purpose of the statement that you need to sign and return to the desk in the back of the room when you leave today.

The requirements of that section are, in part, that the allowable ex parte be confined to the subject matter which has been noticed. By limiting discussion to the subject matter noticed, the statute creates a narrow exception to the general prohibition against ex parte communications. In

this case, the issue noticed is "The Atlantic Coast Pipeline." Therefore, I ask that everyone here please refrain from discussing any matters not related to that subject.

Second, the statute prohibits any participants, Commissioners, or Commission Staff from requesting or giving any commitment, predetermination, or prediction regarding any action by any Commissioner as to any ultimate or penultimate issue which either is or is likely to come before the Commission.

Third, I'd ask that the participants, Commissioners, and Staff refrain from referencing any reports, articles, statutes, or documents of any kind, that are not included in today's presentation, to prevent the need for myself or the folks from the Southern Environmental Law Center from having to try and track down copies or links of these documents to include in the record. As none of the information contained in the presentation appears to have been marked or requested to be granted confidentiality, I'd ask that presenters refrain from referencing or discussing any materials over which they'd like to maintain confidentiality. If presenters decline to

provide such information to Commissioner questions here today, please understand.

Finally, if I've counted my days correctly, the material corresponding to today's proceeding will be posted on the Commission's website by the end of the day next Friday. Any document referenced or utilized today should be included in that posting.

Again, please make sure to read, sign, and return the certification form which you were given at the door when you came in today. This form needs to be signed by each attendee to satisfy the requirements contained in South Carolina Code Annotated Section 58-3-260(C) have been complied with.

This concludes my remarks. Thank you, Mr. Chairman.

CHAIRMAN RANDALL: Thank you, Mr. Bateman.

Okay. Mr. Cleveland, Mr. Moore, we will turn it over to you — oh, Mr. Holman.

MR. HOLMAN: Yes.

CHAIRMAN RANDALL: Everybody — I was just commenting how, you know, people like to get there so they can play to the worldwide audience, so —

[Laughter]

— welcome, Mr. Holman.

MR. HOLMAN: Thank you, Chairman Randall and —

CHAIRMAN RANDALL: Are you on, right there? I just wanted to make sure.

MR. HOLMAN: [Indicating.] Now?

MR. MELCHERS: One more time.

MR. HOLMAN: [Indicating.]

MR. MELCHERS: There you go.

MR. HOLMAN: Thank you, Chairman Randall and —

CHAIRMAN RANDALL: There you go.

MR. HOLMAN: — Madam Interim Vice Chair —

VICE CHAIRMAN BELSER: Interim.

MR. HOLMAN: — Belser. Congratulations.

Thank you, members of the Commission. It's my pleasure to introduce Eddy Moore, who is the Energy Program Director at the Coastal Conservation League, today, and a South Carolina native, and also Will Cleveland, South Carolina native but now in SELC's Virginia office, senior attorney working on energy issues up there and down here. And they're here to talk to you about the Atlantic Coast Pipeline and some background on that issue. I've told them to keep it peppy, because we're at 3

p.m., and it's the witching hour, and I'm sure they will deliver on that.

CHAIRMAN RANDALL: Thank you. Welcome.

MR. WILL CLEVELAND, ESQ. [SELC]: Thank you, Chairman Randall. Again, Will Cleveland, with the Southern Environmental Law Center. It's a pleasure to be here today and be back home in South Carolina, and we really greatly appreciate the Commission's indulgence in letting us give this presentation.

[Reference: Presentation Slide 2]

Mr. Moore and I are going to break this up into two parts. The first part is going to be Mr. Moore's discussion of South Carolina's existing natural gas interstate transmission system, specifically a study that we had commissioned by Skipping Stone on that very topic. He's also going to talk to the Commission about industrial users in South Carolina, and the best way to meet their consumption needs. He's also going to talk briefly about the various utilities in South Carolina and their needs for natural gas when it comes to electricity generation, at which point I'm going to take it over, and I'm going to give the Commission a quick and peppy dive into all the work that we've

been doing on the Atlantic Coast Pipeline, specifically the ownership model, the revenue streams associated with that pipeline, the claims that certain utilities have made about the need for the Atlantic Coast Pipeline in terms of reliability, and certain claims the utilities have made about the cost and pricing of that pipeline.

With that, I'm going to turn it over to Mr. Moore.

[Reference: Presentation Slide 3]

MR. EDDY MOORE [CCL]: Mr. Chairman, Madam Vice Chair, Commissioners, thanks for giving us a little time this afternoon. The Coastal Conservation League served on the State Energy Plan Natural Gas Study Committee, which was aimed at looking at potential constraints in our system and how to solve some of those problems. And our goal was to understand those needs, understand the most efficient way to resolve any outstanding issues and to avoid, frankly, large expenditures that could put us in the position of spending ratepayer money on something that's less needed, when ratepayer money might be more efficiently spent on things that provide better service.

We pretty quickly became aware that we needed

to rely on some technical expertise, and hired — through SELC, working together with them — brought Skipping Stone in. Skipping Stone, some of their principals have helped design the gas market that exists today. They are a consulting firm, primarily, to the gas industry, to gas pipelines, to investors, and they track all the transactions, the volumes, the locations, the capacity of all of these pipelines and use that tracking of trades as the basis of their market advice. And so we found them to be enormously educational.

[Reference: Presentation Slide 4

And we asked — so we asked Skipping Stone to essentially give us an overview of gas transportation, gas transmission in South Carolina, and to assess where the constraints may be for those issues that are most likely to come up, in our experience over the last two years, which is industrial access and also potential power-generation needs.

And Skipping Stone, just to kind of cut to the chase, came back and said there's ample pipeline capacity to South Carolina and to DCGT — which is the transmission system serving most of the in-state needs, although it's technically an

interstate system – and Skipping Stone said, to the extent the industrial users are having difficulty obtaining firm contracts from, at the time, SCE&G – this was just before the transition when this report came out – it's not due to an inadequate ability to bring gas, for instance, from the Marcellus across the State border, that the constraints are within the State in both transmission and distribution

[Reference: Presentation Slide 5]

I'm going to go ahead and put all these up here [indicating]. And the main reason behind that conclusion is the capability of the Transco pipeline. So it's the largest pipeline in the United States. Many of the capacity-holders, the firm transmission holders – what they call FT – those capacity-holders are both gas buyers and gas sellers. So, many of the entities that own capacity on that transmission line don't have their own customers to give gas to; in other words, they are participating in a secondary market, selling capacity to other entities. And to give you an idea of the scale, if you look at the points at which gas can be delivered into South Carolina through various market mechanisms off of Transco,

it's in the realm of over 6 Bcf, over 6 billion cubic feet, per day, and roughly a little above 2 billion cubic feet a day of that is holders that are in the secondary market. So I've heard that described as a robust secondary market.

So there may be a misperception that a second pipeline would add to reliability or would be the best way to add to reliability, because we're obviously very dependent on one transmission line. But just to be clear, Transco is not one line; it's actually three or four lines and, depending on the location in South Carolina, those lines are looped, which has built-in redundancy. The full line has recently been improved to the point where it's bidirectional, so that has a reliability impact in the sense that an interruption, in theory, of gas going one direction, could be served now from the other direction. It's not a one-way pipeline.

It has a large number of compressor stations, compared to other pipelines and planned pipelines. And that's important because the compressor stations allow the movement of gas and, so, if there were a reliability incident, the abundance of compressor stations and the availability of storage along that transmission line also add to the

reliability. And so, partly for those reasons, there's never been an interrupted scheduled firm service in the Carolinas on the Transco pipeline. So we knock on wood when we say that, but it's not just a matter of luck, but that a facility that is relied upon by the whole East Coast, by all the major cities of the East Coast, is not one that was designed and is currently operated in a way that it's likely to suffer the type of interruptions that might happen on a small, simple pipeline.

But to get back to the main point, due to the sheer size and volume of gas available through Transco and through the secondary market on Transco, our expert advised us that Transco is not constrained.

[Reference: Presentation Slide 6]

So here's a map of the transmission system. This doesn't show distribution. This shows the — and so you can see — so you can see the orange dot up there where Transco enters on the purple line over on the left, and then there's a blue dot down there where it exits or enters, since it's bidirectional. You can see there are certain points where gas can come into the State, and those — as an overall matter — those are not constrained.

SONAT is actually constrained. So our consultant walked through every one of these pipelines and made a determination is it constrained, is it not constrained, with respect to bringing gas into the State, and added it up and said, “You can get gas into the State.” It’s these lines in the middle, the blue lines; you’ll see some of them are larger, some of them are smaller. It’s almost an implication of that map that service could be improved, for instance, by laterals off of those lines, by improvements in the lines that are smaller. And it’s not just a matter of a line being improved. I’ll kind of go forward and give an example.

[Reference: Presentation Slide 7]

So this is an example of an improvement to the in-state system. It’s a transmission system; it’s technically an interstate transmission system, but it’s an in-state transmission system. And this project was named Transco-to-Charleston. One thing you’ll notice: The pipeline doesn’t go to Charleston. There was an improvement in one — the segment that needed improvement, and there are improvements to compressor stations [indicating]. This provided better deliverability of gas to

Charleston. It solved a local need, without adding any new capacity to bring gas into the State on a new green-field pipeline. Because the issue here was not that we can't get more gas from the Marcellus; the issue is can we transmit it within the State – transmit it and distribute it.

[Reference: Presentation Slide 8]

So we've talked a little bit about potential local needs. A power plant is a local need of a larger size. And we asked Skipping Stone specifically to evaluate the potential need for larger – for additional transmission capacity related to power plants. And our focus at the time, for various reasons, was looking at SCE&G and the merger. And Skipping Stone did a detailed analysis where they looked not only at the existing gas fleet, but at projected power plants included in the IRP. And they did some models where they ran that fleet, such that the coal plants – gas plants ran ahead of the coal plants. In other words, they maximized the gas use, including the Columbia Energy Center which, at that time, the transaction wasn't completed. You add it all up, and their finding was DCGT enhancements are not needed for the gas generation that is, quote, "in

the pipeline" that was planned. And, also, the same still holds that it's not a lack of capacity to bring gas from outside the State.

[Reference: Presentation Slide 9]

So another, you know, potential gas customer that's been discussed is Santee Cooper. I realize that's outside of y'all' s jurisdiction. But just so you know, we went to one of the leading firms in the country that provides integrated resource planning assistance, including the detailed modeling that is generally used in the industry for that function.

[Reference: Presentation Slide 10]

And we looked at — I won't give you a whole bunch of text there — we looked at four scenarios. There's a BAU; you always do that as a baseline. That's the existing fleet. We compared that to a scenario where you begin to retire coal, and you replace it with a modest amount of combined-cycle. And we did this before Santee Cooper's announcement that it was going to retire Williams. The study completed about the same time they made that announcement.

And the comparison there is what, I think, everyone expected after all the bids — indicative

bids – reviewed over at the Legislature, which is ratepayers can save money by retiring coal and replacing it with combined-cycle plants to an extent. And you see it there: $285 million savings. This is adjusted for the time-value of money; this is a net present value over 15 years.

Our modeling, though, we found that there's a cheaper path by investing in solar early plus and then solar and battery storage, and with a modest amount of energy efficiency added in, that puts ratepayers in an even better position: a $360 million savings.

We also found a result we didn't expect. That scenario called "Gas Major" is an earlier, larger investment in combined-cycle and a capability above 1000 megawatts. And we expected, I expected, that any scenario where you retired those coal plants and replaced it with combined-cycle plants, you would end up with cost savings for ratepayers; but as it turns out, you can actually drive up the cost, compared to the business-as-usual, because of the capital investment needed. And all these four scenarios here are assuming that gas prices remain relatively low. In other words, we took off-the-shelf Energy Information Agency's reference gas

projection. And that's a projection that gas prices remain low, due to fracking. We ran these four scenarios under a high reference case, again provided through EIA, and the spread between the major gas scenario and the clean energy scenario was a billion dollars. So there is potential, with over-investment in that generation – and this is without paying for something like Atlantic Coast Pipeline; this is paying extensions in the local system to build those gas plants – there's potential to save energy through a smart clean-energy strategy. There's potential to make a modest mistake, and there's potential to make a big mistake, if we get caught off-base on gas prices.

I'll transition this to Will, to talk about Duke and the ACP.

[Reference: Presentation Slide 11]

MR. WILL CLEVELAND, ESQ. [SELC]: Thank you.

Members of the Commission, one last note about the South Carolina electric utilities, we are also very skeptical that DEC or DEP need any new additional gas capacity. As the Commission will recall, in DEC's fuel docket just this year, we presented testimony of Greg Lander, from Skipping Stone, saying he wanted to do an analysis of how

they were using their existing pipeline portfolio, whether they had unused capacity they could be monetizing, and Duke's response was that they didn't track their usage of gas on an hourly or even a daily basis. And this Commission, in that case, ordered them to track that exact information. Because we don't know what their needs are, and so they don't know what their needs are, either, but we are very skeptical that natural gas is going to be a least-cost resource for them, going forward.

So that sort of ties up the South Carolina utilities.

[Reference: Presentation Slide 12]

Now, I'd like to put the Atlantic Coast Pipeline into context, around the utilities that originally composed it, which were Virginia and North Carolina utilities. And there are a few reasons we believe this Commission should be very skeptical of the Atlantic Coast Pipeline and some of the promises that it has made.

First off, the traditional business model for utilities is in crisis. Electric load nationwide is flat or declining, which means that normal traditional capacity or capital projects, like power plants, are getting harder and harder and

harder to justify, which is where those shareholder returns traditionally have come from. As a result, utilities across the country are turning to other types of capital projects – not power plants, but pipelines; not power plants, but grid modernization – things like that, where they can spend a lot of money and earn a rate of return that doesn't involve new power generation.

And when it comes to pipelines – and this is not unique to Duke and Dominion – they are using their regulated subsidiaries as the takers, as the customers, because they get a guaranteed payment from themselves. Captive utility ratepayers are bearing the cost and bearing the risk of these ventures. And what's even more important – this is stuff that we learned through the Virginia Commission work that we've done – is that the internal numbers of these utilities don't support the public claims about what kind of savings the Atlantic Coast Pipeline will deliver. And I'll get into some of that.

[Reference: Presentation Slide 13]

So first, I'm going to start off with a report from Vox, which shows that economic growth and electricity consumption used to move in parallel,

but they don't anymore. You can have robust economic growth, and your electric loads can stay relatively flat, or grow at a much smaller rate. That's largely due to improvements in efficiencies and the technologies that we use. We are a much more electric-dependent economy than we used to be, but we're using less electricity to do it.

[Reference: Presentation Slide 14]

That same report made some really astounding statements that I want to point out. Demand for utility power has been flat for 10 years, and most forecasts expect it to stay that way. Not only that; the utilities make money by earning a rate of return on investments in electrical power plants and infrastructure; however, with demand stagnant, those utilities cannot justify the new hardware, so they are turning to other things.

[Reference: Presentation Slide 15]

And I want to highlight for the Commission one thing that happened in Virginia that I think is relevant when it comes to this flat and declining load. These are the different load forecasts from Dominion Energy in Virginia, over the last 10 years or so. I want to show you [indicating], this is the 2009 forecast, 2013, '15, '16, '18.

This down here [indicating], this is what actually happened. Every single year, their forecasts were dramatically higher than the actual loads that were realized. And as a result, they overbuilt on the power-generation side.

[Reference: Presentation Slide 16]

The last year in Virginia, the Commission wised up. And in the order it said the Commission has considerable doubt regarding the accuracy of Dominion's load forest. They threw out the IRP. They rejected it and made Dominion come back and file a new one, and they said that no longer can Dominion use their own internal forecasts. They have to use PJM's, because internal forecasts were consistently high and consistently wrong.

[Reference: Presentation Slide 17]

So the gravy train on power plants is coming to an end, so where are they turning? They're turning to pipelines. This is what I want to talk about.

[Reference: Presentation Slide 18]

The Atlantic Coast Pipeline is a joint venture between Duke, Dominion, and Southern Company. Dominion owns 48 percent, Duke owns 47 percent, Southern owns 5 percent. They have sold 96 percent

of that capacity to customers. Those customers, as this chart shows, are themselves. Dominion has reserved 27 percent between two different companies; Duke has reserved 59 percent; and Southern's got 10 percent.

[Reference: Presentation Slide 19]

The Atlantic Coast Pipeline took those contracts with themselves to FERC and said, "We've got a market for our product." And FERC approved the project, without any additional scrutiny, with a guaranteed 15 percent rate of return.

[Reference: Presentation Slide 20]

FERC does not and refuses to question whether a contract between one affiliate and a regulated utility is actually evidence of market need.

[Reference: Presentation Slide 21]

In fact, they expressly said, even though all but one of the Atlantic Coast Pipeline's customers are affiliated with Atlantic, FERC does not look behind the contract.

[Reference: Presentation Slide 22]

And yet, FERC has shown some serious skepticism of the project. Commissioner LaFleur, before she stepped down, issued a dissent in the order on rehearing, where she said the Atlantic

Coast Pipeline is not in the public interest.

[Reference: Presentation Slide 23]

Commissioner Glick did not vote in that, because, if he had, it would have been a two-two split. He chose not to participate in that proceeding solely to allow people who were challenging the pipeline to get into federal court, to litigate the need issue for this pipeline. And he agreed that pipeline is not in the public interest.

FERC has never denied a pipeline. Never. And, yet, two of the Commissioners have said that they don't think this project is in the public interest.

So now I'm going to talk to you about some the reasons why the utilities have claimed the Atlantic Coast Pipeline is a good thing, and I'm going to tell you why we don't agree with them.

[Reference: Presentation Slide 24]

First, the utilities have claimed that the Atlantic Coast Pipeline will deliver fuel savings relative to buying from Transco Zone 5. They also talk about the Atlantic Coast Pipeline resulting in reliability and pipeline system constraints, and they talk about winter price spikes. All three of

these don't hold up when you dig into them.

[Reference: Presentation Slide 25]

First off, Transco Zone 5. So, this where the Atlantic Coast Pipeline terminates; it's called Dominion South Point. It's in the Marcellus, and it is priced differently than Transco Zone 5.

Historically, gas sold at Dominion South Point has traded well below prices of Zone 5 because there have not been pipelines to bring it to market. As those pipeline projects come on-line, though – things like Atlantic Sunrise, Mountain Valley Pipeline – those producers in the Marcellus can actually start to sell their product at market prices, because they can bring it to market. And that's exactly what the Atlantic Coast Pipeline is designed to do, is to bring that gas to market. That's the route of the Atlantic Coast Pipeline.

[Reference: Presentation Slide 26]

In 2015, Atlantic LLC commissioned ICF to do a study of how much money customers would save by using the Atlantic Coast Pipeline, and that report concluded that the net annual savings would be about $377 million: 243 in Virginia, 134 in North Carolina. And here's how they concluded that.

[Reference: Presentation Slide 27]

This chart, which is from that report, shows the difference in savings between buying in Zone 5 versus buying in Dominion South Point. The gray line is how much you save per unit of gas by buying at South Point, relative to Zone 5. Both ICF and everybody else concedes that, once you build the Atlantic Coast Pipeline, those savings will drop, which is what the orange line is without the Atlantic Coast Pipeline – that's how much you save – and the gray line is what you save, once the Atlantic Coast Pipeline is built. But that's yet another project to bring that gas to market, and so you're selling at closer to market prices.

Then ICF also factored in the cost of using the Atlantic Coast Pipeline, which is this black line. So you've got the fuel savings in the orange and gray lines, and then the cost to use it in the black line. So according to ICF, where the gray line is higher than the black line, it is net cost positive to use the Atlantic Coast Pipeline. The amount you save buying gas more than offsets the increased cost in using the Atlantic Coast Pipeline, which is an expensive green-field project.

So that's the ICF report. In 2027, the

Atlantic Coast Pipeline becomes net cost positive for the customers.

[Reference: Presentation Slide 28]

Well, in 2017, in the Dominion IRP, we got into the numbers. We asked for Dominion's internal projections of what they thought the cost savings would be, buying at South Point relative to Zone 5. And that's the blue line. That's what Dominion's internal gas price forecasts show you will be the savings you get relative to the cost of using the Atlantic Coast Pipeline. As you can see, according to Dominion's own internal numbers, the pipeline is never cost positive. It's always more expensive to use. And, in fact. Mr. Landor, from Skipping Stone, calculated in 2017 that the Atlantic Coast Pipeline would add a net cost to customers of between 1.6 and 2.3 billion dollars in excess cost. The next year, the 2018 Dominion IRP concluded, based on updated information, that the net cost to customers in Virginia alone, for 20 percent of the pipeline, would be about $3 billion, all to access this pipeline that Dominion is building and selling to itself.

[Reference: Presentation Slides 29-30]

So, some common myths and facts we want to

deal with. Everybody agrees that the Atlantic Coast Pipeline is more expensive to use because it's a brand-new pipeline and it's green-field. The myth is that the gas you buy from it is so much cheaper that it's cost-beneficial. Well, Dominion's internal numbers show that that's not true. You don't actually save any money buying gas from Atlantic or from Dominion South Point.

[Reference: Presentation Slide 31]

So then we talk about reliability. This is a map showing all of the gas power plants in Dominion's system. The squares are combined-cycles, the blue circles are combustion turbines, and then there are a few that are both. As you can see, only two power plants in the entire State of Virginia are anywhere near the Atlantic Coast Pipeline. Every other gas plant in the State has to get its gas from the gray pre-existing system. The Atlantic Coast Pipeline does not help any of these power plants with reliability. The only two plants that connected directly to it expressly do so as a backup. Brunswick and Greenville County power stations have built a lateral line to Transco that allows them to get as much gas as they need through the Transco lateral that already exists.

So they don't need it for fuel savings and they don't need it for reliability.

[Reference: Presentation Slide 32]

Which you'll see — I'm sorry — which is exactly that. In the 2019 Commission docket in Virginia on Dominion's fuel costs, the Commission ruled that Dominion's existing portfolio of gas pipeline capacity was adequate to the size of their existing gas fleet. Now, the question you might ask is, "Well, what about if they build new power plants, because don't they need the Atlantic Coast Pipeline for that?" It's a good question.

[Reference: Presentation Slide 33]

In 2015, Dominion was proposing to build, depending on the scenario, somewhere between 1600 and 3200 megawatts of new combined-cycle capacity. That's in 2015. Five years later, due to falling costs of solar, wind, and storage, in the 2019 IRP —

[Reference: Presentation Slide 34]

— Dominion is not going to be building a single new combined-cycle power point.

So they have reserved 20 percent of a pipeline that doesn't save them money on gas, doesn't improve reliability, and won't connect to any new

power plants.

[Reference: Presentation Slide 35]

The same is true of North Carolina. If you look at where Duke's gas plants existing are, right now, they're on this line [indicating]. The Atlantic Coast Pipeline doesn't help get gas to those systems. If there's a constraint here [indicating] between Buck and Dan River, the Atlantic Coast Pipeline doesn't help you get gas to either of those plants, because you've got to bring gas all the way down, put it into here, and then move it back up. And if the constraint is here [indicating], you haven't solved any problems.

[Reference: Presentation Slide 36]

Then there are winter price spikes. You heard a lot of talk about that, how gas spikes on very, very cold winter days and gas gets phenomenally expensive. That can be true. It just doesn't happen very often.

There've been three major gas commodity price spikes in the last 15 years, but we don't believe that there's any scenario where the year-round cost of reserving capacity on a brand-new green-field 700-mile pipeline, 24 hours a day, seven days a week, 365 days a year, is a prudent investment to

mitigate against the price spikes that happen three times every 15 years.

Price spikes are a myth. They do happen, but brand-new pipeline capacity for year-round is not the solution to it.

[Reference: Presentation Slide 37]

So, the Atlantic Coast Pipeline: What does it not do? It does not enhance reliability. It does not provide that savings when you take into account the costs of using it and reserving it for a year, and it doesn't provide any savings on a cost-beneficial basis and year-round when you talk about winter price spikes.

[Reference: Presentation Slide 38]

So, I'm going to talk briefly – we're going to try and keep it under a half an hour – about what the Atlantic Coast Pipeline does do. And I have here a transcript from the earnings call, the Dominion earnings call from third quarter of this year.

Tom Farrell, Dominion's CEO, testified – or, sorry; he didn't testify, he spoke on the call, and he testified here during the merger – that they are trying to resolve the project cost increases. When the Atlantic Coast Pipeline was first proposed, it

was $4½ billion; now it's pushing $8 billion. It's billions of dollars overbudget and years behind schedule, and they are trying to figure out what to do with those increased costs. They are trying to balance customer rates with shareholder returns.

[Reference: Presentation Slide 39]

So a market analyst asked the question on the call: Is Atlantic going to "potentially share the burden of those unexpected cost increases with the utilities who are taking" service? And the answer was: They're in "constructive negotiations with the customer" and they are "comfortable with the returns" they will get on the Atlantic Cost Pipeline.

Now, let's remember who the customers are that they're negotiating with.

[Reference: Presentation Slide 40]

They are themselves. Dominion is negotiating with Dominion, to make sure that Dominion's shareholder returns are adequate, which means that more cost flows through to —

[Reference: Presentation Slide 41]

— electric utility ratepayers.

[Reference: Presentation Slide 42]

Atlantic Coast Pipeline is billions of dollars

overbudget, years behind schedule. It's not improving reliability. It's not improved diversity of fuel. It does not help the industrials, as Mr. Moore talked about, and it does not help the customers. What it does is it shifts cost and risk to captive electric ratepayers.

And with that, we are more than happy to answer any questions you may have. Thank you, very much.

[Reference: Presentation Slide 43]

CHAIRMAN RANDALL: Thank you.

Commissioners, questions. Commissioner Ervin.

COMMISSIONER ERVIN: Thank you, Mr. Chairman.

Appreciate the presentation. And one consideration that comes to mind, we had an ex parte – allowable ex parte – here recently, concerning the growth of electric vehicles. As you know, about a third of CO_2 emissions are coming from the transportation sector, and there's projections now that, by 2030, half the people will be using electric vehicles, and by 2050 perhaps 90 percent or more. So that would be good for the environment by getting all those combustion emissions off the roadways and out of our environment. It would also be a potential growth market for these utility

companies. Did you factor in the projected growth of electric vehicle usage, into the equation?

MR. WILL CLEVELAND, ESQ. [SELC]: Commissioner, thank you for that question. It's a great point. And the answer is that, right now, it is hard to predict exactly how electric vehicle growth will affect load. And the reason I say that is because, as you bring electric vehicles onto the roadways, you are also bringing all of their batteries onto the grid. And so how a utility responds to deep electric vehicle penetration, using things like time-of-use rates, something called v-to-g — vehicle-to-grid — response, using smart rate designs to change and shift when those cars are charging, all dramatically affects the degree to which the utility's peak system will spike and when it will spike. And so it's a question of if you can shift all that charging to the day, when solar is generating, it's probably the most cost-effective to meet that new load with solar or with storage or with wind. But right now, the electric vehicle penetrations in the Carolinas and Virginia is so small that none of the utilities have adequately started to grapple with that yet.

COMMISSIONER ERVIN: I think that's true, just

like all projections, you know, the further out you go the less accurate the projections become.

MR. WILL CLEVELAND, ESQ. [SELC]: Yes, sir.

COMMISSIONER ERVIN: So, we – but I would encourage you to consider going back and asking your expert to factor in the reliable projections, you know, over the next decade or two, about how EVs are going to affect demand, and – because it is a complex equation. You do have the potential to reduce demand further if certain technologies are used. For example, you know, batteries can be reversed. And when you have these winter peaks, you could actually cut the winter peaks –

MR. WILL CLEVELAND, ESQ. [SELC]: That's exactly right, sir.

COMMISSIONER ERVIN: – which would be great.

MR. WILL CLEVELAND, ESQ. [SELC]: We absolutely intend to do that. Dominion Energy will have an IP in Virginia coming up in 2020, and we expect to be delving into exactly these issues.

COMMISSIONER ERVIN: Great. The other thought I had was, now that Santee Cooper is potentially up for sale – we don't know what the General Assembly will decide about that, but they've asked for bids and I understand bids have been submitted. If it

was sold to an investor-owned utility, one would reasonably assume that they would phase out a number of their coal-fired facilities, for a number of reasons. One, they're no longer cost-effective; two, they're environmentally the worst possible thing you could do in terms of emissions; and, three, natural gas is relatively cheap. It's at about a 20-year low. We don't know how long it'll stay there, but they're projected for the next five to ten years, it's going to remain fairly cheap. So would it not be helpful to the ratepayers in the Santee Cooper service area, the customers there, to have access to natural gas from the Atlantic Coast Pipeline?

MR. WILL CLEVELAND, ESQ. [SELC]: I'm going to let Mr. Moore deal with most of that –

COMMISSIONER ERVIN: Okay.

MR. WILL CLEVELAND, ESQ. [SELC]: – because he is the expert on the report, but I will say that, although natural gas may be cheap right now, solar's even cheaper. And if you look at the Dominion IRP in Virginia, they will fully concede that, when it comes to energy, solar's the cheapest thing out there, and I believe the Synapse study bears that out.

COMMISSIONER ERVIN: Yeah, I think you're right. It's cheaper. The only problem is, you know, it's not always distributable, you know, on short notice. You know, it's not always available when we need it.

MR. EDDY MOORE [CCL]: If I may, Commissioner, the scenario you played out is what we had Synapse study.

COMMISSIONER ERVIN: Okay. So that was included in their report?

MR. EDDY MOORE [CCL]: They looked at the gas scenario both, and, essentially, small gas and large gas, how big of a bet are you going to make. And it is cheaper than — it's cheaper than coal, at a moderate level. Build a big gas plant and you can actually end up more expensive because of the capital cost. And it found, as Mr. Cleveland said, that the renewable energy pathway would end up with significant net cost savings for ratepayers.

COMMISSIONER ERVIN: Well — yeah, go ahead.

MR. WILL CLEVELAND, ESQ. [SELC]: The — and Mr. Morgan talked a little more on this. The report is based on a very, very complex and highly sophisticated model. It's effectively an IRP, and so it takes into account all of the same issues

that the Commission would be concerned about, making sure that we are delivering reliable and cost-effective service. This isn't just a spreadsheet; this is a highly sophisticated model.

COMMISSIONER ERVIN: Well, I think it's a very interesting study and certainly worthy of serious consideration. I appreciate your presentation this afternoon. You made some important points. And those are the two questions that I had. Thank you.

MR. WILL CLEVELAND, ESQ. [SELC]: Thank you, sir.

CHAIRMAN RANDALL: Thank you.

Commissioners, any other questions. Commissioner Whitfield.

COMMISSIONER WHITFIELD: Thank you, Mr. Chairman.

Good afternoon and thank you for your presentations. Got a couple of questions for the two of you, and I guess one of the benefits of going second, so to speak, we can – you probably have seen or heard about the other allowable ex parte Commissioner Ervin referenced, and I want to ask you a question or two that we asked them, maybe to hear your perspective or your side.

I guess, first, Will – or, Mr. Cleveland – to

you, in terms of the rates, as you well know, we don't have any jurisdiction over interstate pipelines and, certainly, as proposed, it doesn't even come into our State at this time. But I remember a number you had on the board just a minute ago, and I recall during the merger we had Mr. Farrell down here and he talked about the ROE allowed by, or approved by FERC as being, I think, 14 percent. I haven't looked at it lately with FERC, but I think you just said it was 15. Has it gone up? Has it – and, of course, those numbers are way higher than any ROEs we deal with. Just for information, has that gone up by another percentage point?

MR. WILL CLEVELAND, ESQ. [SELC]: No, sir, I think the answer is that it's 14-point-something.

COMMISSIONER WHITFIELD: Oh, I certainly – I do think you're right.

MR. WILL CLEVELAND, ESQ. [SELC]: And, Commissioner, I would totally agree with you, this Commission does not set those rates. At least in Virginia, the Commission does oversee whether the customers will pay, through the fuel proceeding, for the amount that the utility has contracted to pay to the pipeline developer, and the amount that

the utility pays to the pipeline is designed to cover the capital cost plus that 14 or greater percent. So you are paying it; you're just not – it's not getting set by the Commission, it's just whether it passes through to customers that's in front of the Commission.

COMMISSIONER WHITFIELD: And you just set me up for my next question. I don't know if you – I'm sure y'all are well on top of it. I think I heard somewhere, at NARUC, somewhere, there's a bill before the US Senate currently, S- – I can't quote you the number – twelve-seventy-something – I can't remember. I don't want to quote it wrong. But that bill would – and, of course, the LDCs that we regulate are all on-board or are interested in that bill – would allow, if the ROE is too high by FERC, it would allow for that overearning to be returned back to the LDCs that we do regulate, and, of course, then in turn back to the ratepayers – the end-use ratepayers here, that we are here to serve.

MR. WILL CLEVELAND, ESQ. [SELC]: Well, Commissioner Whitfield, I – blessedly, my work does not take me to Washington DC on any kind of a regular basis. I get to stay in Virginia and South Carolina where I'm happiest. So I can't speak with

any great depth about that Senate bill, but I will say that 15 percent, 14 percent, that's higher than you can get on just about any kind of capital project anywhere in the country that I'm aware of, and it certainly seems to me that a 14 percent rate of return on something where you guarantee cost recovery by passing it on to your regulated customers — 14 percent doesn't really reflect the risk you're pairing, because there doesn't seem to be much risk.

COMMISSIONER WHITFIELD: And I'm going to shift gears and probably go to Mr. Moore just a little bit, because this is more of an operational thing. And, again, I'm referencing a little bit about what we heard in the other allowable ex parte. But you talked about having — the capacity was there; you said those laterals could come across, with Transco. And you had a little map up there that just went a piece of the way from — like almost like a leg from Spartanburg, South Carolina, to Clinton, South Carolina, kind of parallel to that part of 26 — I'm guessing, now. But anyway, you said that part was enhanced and, therefore, other legs of it were enhanced — I think you called it the Transco-to-Charleston, or something like

that, in your slide.

MR. EDDY MOORE [CCL]: [Indicating.]

[Reference: Presentation Slide 7]

COMMISSIONER WHITFIELD: That's it. That's it right there. And that one – anyway, I think I see now it actually goes to Chappells, it looks like, from Spartanburg. But that leg, where it connects Chappells – yes. But anyway, one of the points that some of the presenters in the other allowable ex parte made is that, by having it, that they would not – that all these other laterals would not have to be built. And then you couple that in with some of the industrial needs – of course, you said some of those were already being met or were being met without additional pipeline. And then, some of the generation needs may be in southeastern North Carolina – again, plants in the other state that our ratepayers, particularly maybe in the DEP territory, might get electrons from. But couple that – and then couple that with what Commissioner Ervin was talking about – and I'm way outside of my jurisdiction, because we do not regulate Santee Cooper. But all that being said that he was referencing, if – and, again, with us not regulating Santee Cooper, I only know what I read

and what I'm hearing, generally, but if all these coal-fired plants are to be retired and the generation is needed down in that area that Santee serves, that Pee Dee region and that Santee area services, what is the alternative? Would you — are you suggesting that more laterals be built from the upstate western part, down, to get the gas there and, you know, would those laterals be ample to provide the capacity? That kind of question to you, Mr. Moore, I hope that —

MR. EDDY MOORE [CCL]: Yes, it does. So with respect to the Winyah plant, which is the one that's been announced will be closed by Santee Cooper, they — and this is going to trigger us sending you another document — they have a publicly announced business plan that's on the web, and it shows a combination of what they call aeroderivative turbines, some peakers. They added some peakers. And the Winyah plant was running roughly 12 to 19 percent of the time, so it's not an enormous amount of generation. So, between the peakers and plans to add, I believe, 200 megawatts of battery storage and 1000 megawatts of solar, they take care of that issue for a reasonable time period.

That announced business plan didn't tell you what happens in the future, if you close the other coal plant that's running a lot more – the Cross plant.

COMMISSIONER WHITFIELD: Cross?

MR. EDDY MOORE [CCL]: Yeah. But the issues that you're talking about, according to Santee Cooper even, are not, for Winyah, not requiring new gas infrastructure and in terms of pipelines. But the main comparison we're trying to draw, I think, is between, you know, a 700-mile green-field, $8 billion, you would have to avoid a whole lot of laterals to justify that kind of expenditure.

MR. WILL CLEVELAND, ESQ. [SELC]: And Commissioner –

COMMISSIONER WHITFIELD: And, again, I'm not privy to their needs, Santee Cooper's needs, but what you're saying is – you're telling me, in their plans, are CT, combustion-turbine peakers and not larger combined-cycle gas plants that are much larger megawatts, like say for instance we had the one up at Lee, the 750 megawatt combined-cycle that Duke has. You're not talking about anything that size; you're talking about smaller CTs.

MR. EDDY MOORE [CCL]: You're triggering my

memory. So the near-term plan is CTs plus solar, and then midterm it's a combined-cycle plant and the battery storage. But I think it's explicit in their plan that that's a combined-cycle if they determine they need it.

There are essentially two plans. One is public, one we don't know what it is yet. So the one I'm talking about has been announced, and then they've put in a bid, and all the bidders were required to keep those plans under wraps, I think, until the Department of Administration evaluates them. So I expect to see those plans include combined-cycle plants and plans to serve those plants. It's our contention, though, that there's a lower-cost way to get to serving the customers than doing that.

COMMISSIONER WHITFIELD: Well, I appreciate you sharing that. I'm way outside of my job description. We don't regulate Santee Cooper at this time, so I — it's good information for you to share with us, but, again, with us not regulating them, I'm somewhat unfamiliar with all that.

MR. WILL CLEVELAND, ESQ. [SELC]: Commissioner, if I may just add onto that, I think there are a couple of points here.

[Reference: Presentation Slide 7]

There is 55 miles of new pipe here. That is not to suggest that any improvements to the existing in-state system would necessarily need new pipe; it may just need expansion of existing rights-of-ways, it may need new compression. So, to look at this map and say we need more industrial users here [indicating] doesn't necessarily mean you need a new lateral. It may just mean you need to expand the lines that are already there.

Another thing I'd like to point out is this is the Atlantic Coast Pipeline's current route and where it ends. If it comes into South Carolina somewhere, you still need to improve all of the existing in-state system to actually get it to any of the end users other than a power plant. And if you're talking about what is a power plant need, you don't build a power plant to justify a pipeline. You should build a power plant where it's the least-cost way and place to do it, and there are probably places already closer to the existing distribution and transmission system, where the all-in cost – the capital cost, the plant, plus the fueling logistics – are lower-cost, because if you build something to connect to the

Atlantic Coast Pipeline, depending on how you do it, you have to pay at least as much, if not more, than everybody else who's already paying for it. You're not just paying for the cost of the extension; you're going to have to pay a whole lot. And it went from $4½ billion to almost $8 billion, and we've already seen, from the earnings call that Dominion had, that the customers are going to bear that cost increase, which means that any new customers for an extension are going to be starting out at a much higher initial cost. So we think that the all-in cost of where you build a new combined-cycle should take that into account. We don't believe that something built to justify extending the Atlantic Coast Pipeline into South Carolina is the best way to do it, purely on cost.

COMMISSIONER ERVIN: Mr. Chairman.

CHAIRMAN RANDALL: Yes, sir, Commissioner Ervin.

COMMISSIONER ERVIN: I've got a follow-up, just to put on my environmental cap for a minute and ask you to think 10,000 feet or higher about what just happened in Madrid with the failure of the Paris Accord participants and others to come to any kind of agreement on how to reduce CO_2

emissions. It seems to me that it's going to be very difficult to get an agreement that will reduce emissions in time to prevent further global warming, unless we can get the big polluters, like China and India, to close or phase out their coal plants and go to cleaner energy – natural gas, solar. Just for the sake of argument, if the Atlantic Coast Pipeline allowed for the export of natural gas to other countries that are currently relying on coal, would that not be an environmental benefit? It would be a bridge fuel to get to renewable energy.

MR. WILL CLEVELAND, ESQ. [SELC]: Well, first off, Commissioner, thank you again for your concerns about how we handle this on a global scale. I could not agree more that simply solving the problems at Winyah and Cross are not, on their own, going to stop Charleston from sinking into the water and threatening all my parents' investment in their home. But when it comes to people talking about natural gas as a bridge fuel, my personal belief is that we've built enough of that bridge, and it's time to start moving on. And it's a function, as Mr. Moore said, about timing. Five years ago, if you looked at Dominion's expansion

plan, it was 3200 megawatts of combined-cycle. Now it's none. What is Duke Energy Progress going to be telling us in five years is the cheapest way to meet their needs? I would bet it's not going to be with combined-cycles; it's going to be a combination of solar, offshore wind, and storage, and maybe some onshore wind.

When it comes to using the Atlantic Coast Pipeline as an export, as far as — well, I'll stick with Virginia. I would ask why Virginia electric ratepayers are paying for a pipeline that's being used to ship gas out of the country. What benefit is it serving those electric ratepayers? That's exactly what I would be taking to the Virginia Commission. And I would hope that as China and India and these other nations are retiring their coal, they're not replacing it with natural gas, they're replacing with solar, storage, and wind.

COMMISSIONER ERVIN: I didn't say how long the bridge was.

[Laughter]

It could be a very short bridge.

MR. WILL CLEVELAND, ESQ. [SELC]: Well, but when we're talking about a 40- or 50-year investment —

COMMISSIONER ERVIN: Right.

MR. WILL CLEVELAND, ESQ. [SELC]: – it's not a short bridge.

COMMISSIONER ERVIN: I understand. Now, the other final point I wanted to ask you about is the rate of return set at 14-point-something by FERC. Have you considered the possibility of entering into negotiations, like a mediated settlement agreement, with Duke and Dominion and Southern Companies, and see if they would voluntarily reduce their rate of return to make it better for ratepayers, so that they wouldn't see this unintended consequence of higher rates, as you've outlined?

MR. WILL CLEVELAND, ESQ. [SELC]: Commissioner, I'm always happy to talk to a party on the other side about an amicable resolution to a dispute. My gut, given what Tom Farrell said on the earnings call, they're not looking to lower rates; they're looking to increase rates to protect those returns. So I wouldn't feel terribly optimistic about the productivity of that conversation, but I'm always happy to have it.

COMMISSIONER ERVIN: Well, I'm going to tell you what I told them when they came in on this same

topic. We discussed the Atlantic Coast Pipeline with the utility companies that were here not too long ago. Last week? I told them, you can make this a win-win situation, and the way that I could foresee it – Tom Farrell's an astute businessman.

MR. WILL CLEVELAND, ESQ. [SELC]: Yes, he is.

COMMISSIONER ERVIN: He's a smart man.

MR. WILL CLEVELAND, ESQ. [SELC]: Very smart.

COMMISSIONER ERVIN: And he's probably listening today. What I would suggest to you and to him is there's a way that both sides can win. And the way you can do it is, if you had a mediation where all stakeholders came with their wish list, and part of your wish list would be a lower rate of return. And I tell you why I think that: When we did the Dominion merger, Tom Farrell came and testified – sat in the same chair you're in now – and I asked him, when we were talking about rate of return and they were wanting 10.2 I think, something of that range, 10-point- – and I said, "Would you not consider something less?" And we took a recess and he came back and said, "We'll take 9.9." That showed me some flexibility and some business acumen that he's willing, you know, to compromise on some of these issues. Maybe – who

knows? – it may be that this would be a window for you to come in with your wish list – for example, there are issues with how solar is being developed. We've got an acute problem. We've got issues with how to really get down and determine what true avoided costs are. We have to rely on the utilities to tell us what they are, because they have the models and it's virtually impossible to verify the inputs. They have the information. I'm not suggesting they would manipulate it, but I'm uncomfortable not being able to verify. So what if you came in and had a negotiation where they would agree to take a reduction in rate of return on the pipeline cost, and give other concessions to issues that your group cares about – for example, adding storage to promote cost savings, spending more money on demand control, spending more money on efficiency programs, energy efficiency programs, because it's going to take multiple strategy points to get to where we need to be in terms of protecting the planet.

MR. EDDY MOORE [CCL]: Yes, sir. And, again, I greatly appreciate your encouraging us to look for constructive solutions, and I would always rather be working with somebody than working

against them. I would be remiss, however, if I didn't point out – and I apologize for taking the time to get to it [indicating]. I want to show you the route of the Atlantic Coast Pipeline in Virginia, and just flag a few things. Sorry for this taking so long. A lot of slides. Blan told me to have fewer slides, and I should've listened to him.

[Reference: Presentation Slide 31]

Right in here is where the Atlantic Coast Pipeline goes through the national forest, and it is some of the most rugged and steep and undeveloped terrain in the entire East Coast. Every single federal court that has looked at a permit issued by a federal agency has thrown those permits out because they are inadequate, they were rushed, they have been insufficiently prepared. So today's presentation was specifically designed to only present to this Commission topics that are about Commission-controlled utilities, but there are a host of problems with the Atlantic Coast Pipeline, well beyond the cost that ratepayers are going to bear. And I didn't want to burden you with –

COMMISSIONER ERVIN: Oh, I understand.

MR. EDDY MOORE [CCL]: — additional information, but those are also issues that would need to be addressed.

COMMISSIONER ERVIN: But, again, there's a solution to every problem, and an alternate route, for example, would be part of the wish list that you would bring to the table. I love the Appalachian Trail. I love the Appalachian Trail. I've hiked it many — not the entire trail, but segments of it. I'd like to hike it someday, but my knees are giving out. But the fact of the matter is there are other alternatives. That's the one point I'm making, so that could be on your wish list when you go to mediation.

MR. EDDY MOORE [CCL]: I appreciate it.

MR. WILL CLEVELAND, ESQ. [SELC]: Thank you, sir.

CHAIRMAN RANDALL: Okay. Other Commissioners, any other questions?

[No response]

All right. Thank you so very much for your presentation today.

And if there's nothing else, we are adjourned.

[WHEREUPON, at 3:53 p.m., the proceedings in the above-entitled matter were

adjourned.]

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C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Staff Hearings Reporter for the Public Service Commission of South Carolina, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had regarding a requested allowable ex parte briefing in the above-captioned matter, according to my verbatim record of same;

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the 20th day of December, 2019.

Jo Elizabeth M. Wheat, CVR-CM/M-GNSC
Hearings Reporter, PSC/SC
My Commission Expires: January 27, 2021.